

151 Products Limited

Registered number: 02149608

Directors' report and financial statements

For the year ended 31 December 2017

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151 PRODUCTS LIMITED

COMPANY INFORMATION

Directors

Mr R Shonn
Mr S M Shonn
Mr D Shonn
Mr I P George

Registered number

02149608

Registered office

The Old School House
39 Bengal Street
Manchester
M4 6AF

Independent auditor

Mazars LLP
Chartered Accountants & Statutory Auditor
One St. Peter's Square
Manchester
M2 3DE

151 PRODUCTS LIMITED

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151 PRODUCTS LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

Introduction

The principal activity of the company continues to be that of wholesaling branded domestic products.

Business review

The company has traded well throughout the year. Turnover has decreased by £1.8m in 2017 however the gross profit margin has remained consistent with the previous year at 24%. The directors have monitored the distribution and administration costs to ensure the company remains profitable.

The company has a strong balance sheet with £9.7m in reserves at the year end. The company will see future growth & sustain profitability achieved in past years.

Principal risks and uncertainties

The business is impacted by the performance of the retail sector but, where risks can be identified, they have been addressed and actions taken where possible to control them. The retail sector is constantly changing and the business is always looking for new markets and outlets both in the UK & globally.

Currency fluctuations can affect the company's trading so the business reduces the impact of this uncertainty by having forward contract currency deals in place.

Whilst risk and uncertainty in the market is still present, the directors feel that the company is well positioned to build on this year's results and continue to trade well in future years.

This report was approved by the board on 8 June 2018 and signed on its behalf.

Mr R Shonn
Director



151 PRODUCTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £902,720 (2016 - £943,254).

Dividends of £429,600 (2016: £187,200) were declared in the year.

Directors

The directors who served during the year were:

Mr R Shonn
Mr S M Shonn
Mr D Shonn
Mr I P George

Future developments

The company has a mixture of funding lines in place which are reviewed regularly to ensure there is sufficient headroom available to meet the working capital requirements of the business.

The Directors consider that the company is well positioned to continue the current level of performance into the future.

151 PRODUCTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 8 June 2018 and signed on its behalf.

Mr R Shonn
Director

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a series of wavy lines.

151 PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 151 PRODUCTS LIMITED

Opinion

We have audited the financial statements of 151 Products Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

151 PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 151 PRODUCTS LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information the Strategic Report and the Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

151 PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 151 PRODUCTS LIMITED

Responsibilities of Directors

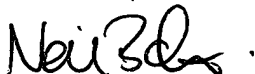
As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Neil Barton (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

One St. Peter's Square
Manchester
M2 3DE

Date: 24 July 2018

151 PRODUCTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	36,721,130	38,540,332
Cost of sales		(27,874,863)	(29,302,191)
Gross profit		8,846,267	9,238,141
Distribution costs		(2,085,627)	(1,990,528)
Administrative expenses		(5,651,915)	(6,003,837)
Operating profit	5	1,108,725	1,243,776
Interest receivable and similar income	8	3,213	-
Interest payable and expenses	9	(101,449)	(124,219)
Profit before tax		1,010,489	1,119,557
Tax on profit	10	(107,769)	(176,303)
Profit for the financial year		902,720	943,254

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016: £NIL).

The notes on pages 11 to 28 form part of these financial statements.

151 PRODUCTS LIMITED
REGISTERED NUMBER: 02149608

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	3,451,188	3,150,892
Investments	13	80	80
		<u>3,451,268</u>	<u>3,150,972</u>
Current assets			
Stocks	14	4,165,856	4,602,143
Debtors: amounts falling due within one year	15	8,430,563	8,691,410
Cash at bank and in hand	16	1,040,268	861,085
		<u>13,636,687</u>	<u>14,154,638</u>
Creditors: amounts falling due within one year	17	(5,540,536)	(5,801,036)
Net current assets		<u>8,096,151</u>	<u>8,353,602</u>
Total assets less current liabilities		<u>11,547,419</u>	<u>11,504,574</u>
Creditors: amounts falling due after more than one year	18	(1,856,808)	(2,207,039)
Provisions for liabilities			
Deferred tax	21	(34,268)	(114,312)
		<u>(34,268)</u>	<u>(114,312)</u>
Net assets		<u>9,656,343</u>	<u>9,183,223</u>
Capital and reserves			
Called up share capital	23	1,000	1,000
Profit and loss account	24	9,655,343	9,182,223
		<u>9,656,343</u>	<u>9,183,223</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 JUNE 2018


Mr R Shonn
 Director

The notes on pages 11 to 28 form part of these financial statements.

151 PRODUCTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	1,000	9,182,223	9,183,223
Comprehensive income for the year			
Profit for the year	-	902,720	902,720
Total comprehensive income for the year	-	902,720	902,720
Dividends: Equity capital	-	(429,600)	(429,600)
At 31 December 2017	1,000	9,655,343	9,656,343

151 PRODUCTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	1,000	8,426,169	8,427,169
Comprehensive income for the year			
Profit for the year	-	943,254	943,254
Total comprehensive income for the year	-	943,254	943,254
Dividends: Equity capital	-	(187,200)	(187,200)
Total transactions with owners	-	(187,200)	(187,200)
At 31 December 2016	1,000	9,182,223	9,183,223

The notes on pages 11 to 28 form part of these financial statements.

151 PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

151 Products Limited ('the Company') is a private limited company incorporated in the England and Wales. The address of its registered office and principal place of business is:

The Old School House
39 Bengal Street
Manchester
M4 6AF

The principal activities of the Company is that of wholesaling branded domestic products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Eurostation Limited as at 31 December 2017 and these financial statements may be obtained from The Old School House, 39 Bengal Street, Manchester M4 6AF.

151 PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Plant and machinery	-	20% / 33%
Fixtures and fittings	-	33%
Equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.9 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

151 PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)**2.15 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

151 PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the Group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amount of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The directors believe that the critical accounting policies where judgements or estimates are necessarily applied are stock provisions, bad debt provisions and the useful expected lives of property, plant and equipment.

4. Turnover

	2017 £	2016 £
Sale of goods	36,721,130	38,540,332
	<u>36,721,130</u>	<u>38,540,332</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	32,704,775	35,307,256
Overseas	4,016,355	3,233,076
	<u>36,721,130</u>	<u>38,540,332</u>

151 PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	181,190	239,658
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	13,500	10,000
- Taxation compliance services	4,300	-
Exchange differences	(218,110)	(246,828)
Operating lease rentals	506,372	122,418
Defined contribution pension cost	124,694	157,614
	<u> </u>	<u> </u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2017	2016
	£	£
Wages and salaries	3,340,390	3,423,533
Social security costs	346,572	335,152
Cost of defined contribution scheme	124,694	157,614
	<u> </u>	<u> </u>
	<u>3,811,656</u>	<u>3,916,299</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017	2016
	No.	No.
Production staff	49	56
Administrative staff	62	54
	<u> </u>	<u> </u>
	<u>111</u>	<u>110</u>

151 PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	323,408	407,331
Company contributions to defined contribution pension schemes	51,000	85,328
	<u>374,408</u>	<u>492,659</u>

During the year retirement benefits were accruing to 3 directors (2016 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £160,966 (2016 - £159,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,000 (2016 - £12,000).

8. Interest receivable

	2017 £	2016 £
Other interest receivable	3,213	-
	<u>3,213</u>	<u>-</u>

9. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	48,095	54,471
Other loan interest payable	48,155	55,225
Finance leases and hire purchase contracts	5,199	11,200
Interest payable on taxation	-	3,323
	<u>101,449</u>	<u>124,219</u>

151 PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	188,478	261,481
Adjustments in respect of previous periods	(665)	5,367
Total current tax	<u>187,813</u>	<u>266,848</u>
Deferred tax		
Origination and reversal of timing differences	(80,044)	(90,545)
Total deferred tax	<u>(80,044)</u>	<u>(90,545)</u>
Taxation on profit on ordinary activities	<u>107,769</u>	<u>176,303</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 -lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>1,010,489</u>	<u>1,119,557</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 -20%)	194,519	223,911
Effects of:		
Expenses not deductible for tax purposes	11,479	-
Fixed asset differences	11,454	(90,545)
Adjustments in respect of prior periods	(665)	5,367
Adjust deferred tax to average rate of 19.25%	(3,343)	-
Adjustments to historic deferred tax charge	(105,336)	37,570
Group relief surrendered/(claimed)	(339)	-
Total tax charge for the year	<u>107,769</u>	<u>176,303</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

151 PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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11. Dividends

	2017 £	2016 £
Dividends paid during the year	429,600	187,200
	<u>429,600</u>	<u>187,200</u>

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost or valuation					
At 1 January 2017	3,100,000	504,002	529,335	95,849	4,229,186
Additions	-	425,321	-	56,165	481,486
At 31 December 2017	<u>3,100,000</u>	<u>929,323</u>	<u>529,335</u>	<u>152,014</u>	<u>4,710,672</u>
Depreciation					
At 1 January 2017	179,730	377,309	445,787	75,468	1,078,294
Charge for the year on owned assets	59,910	52,985	52,033	16,262	181,190
At 31 December 2017	<u>239,640</u>	<u>430,294</u>	<u>497,820</u>	<u>91,730</u>	<u>1,259,484</u>
Net book value					
At 31 December 2017	<u>2,860,360</u>	<u>499,029</u>	<u>31,515</u>	<u>60,284</u>	<u>3,451,188</u>
At 31 December 2016	<u>2,920,270</u>	<u>126,693</u>	<u>83,548</u>	<u>20,381</u>	<u>3,150,892</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	68,350	107,401
	<u>68,350</u>	<u>107,401</u>

151 PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2017	80
At 31 December 2017	<u>80</u>
Net book value	
At 31 December 2017	<u>80</u>
At 31 December 2016	<u>80</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Swirl Consumer Products Limited	Ordinary	80 %	Wholesaling branded domestic products

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Swirl Consumer Products Limited	299,561	200,190
	<u>299,561</u>	<u>200,190</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. Stocks

	2017 £	2016 £
Finished goods and goods for resale	4,165,856	4,602,143
	<u>4,165,856</u>	<u>4,602,143</u>

Stock recognised in cost of sales during the year as an expense was £25,779,724 (2016 - £27,491,385).

15. Debtors

	2017 £	2016 £
Trade debtors	4,891,720	6,220,661
Amounts owed by group undertakings	478,576	200,177
Other debtors	2,795,984	1,722,330
Prepayments and accrued income	264,283	246,879
Forward currency contracts	-	301,363
	<u>8,430,563</u>	<u>8,691,410</u>

16. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,040,268	861,085
	<u>1,040,268</u>	<u>861,085</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	148,392	754,236
Invoice finance	2,036,814	714,868
Trade creditors	1,059,745	1,675,439
Amounts owed to group undertakings	258,863	541,122
Corporation tax	187,813	111,475
Other taxation and social security	578,565	618,288
Obligations under finance lease and hire purchase contracts	60,816	60,817
Other creditors	595,914	29,993
Accruals and deferred income	613,614	1,294,798
	<u>5,540,536</u>	<u>5,801,036</u>

The invoice finance balance is secured against certain trade debtor balances.

18. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	1,811,224	2,100,639
Net obligations under finance leases and hire purchase contracts	45,584	106,400
	<u>1,856,808</u>	<u>2,207,039</u>

Secured loans

The company enters into short term "import loan" agreements with the bank, whereby the funds borrowed are secured on the stock purchased.

Bank loans is a mortgage, repayable in equal instalments until October 2029, with interest charged at 2.09% above HSBC Bank Plc base rate. The mortgage is secured by way of a debenture comprising a fixed and floating charge over the freehold property. An amount of £1,184,023 (2016: £1,388,663) is due after more than 5 years.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	60,816	60,817
Between 1-5 years	45,584	106,400
	<u>106,400</u>	<u>167,217</u>

20. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	1,040,268	1,162,448
Financial assets that are debt instruments measured at amortised cost	8,430,563	8,390,047
	<u>9,470,831</u>	<u>9,552,495</u>
Financial liabilities		
Other financial liabilities measured at fair value through profit or loss	160,602	-
Financial liabilities measured at amortised cost	6,445,364	7,278,312
	<u>6,605,966</u>	<u>7,278,312</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand and forward currency contracts.

Financial assets measured at amortised cost comprise prepayments and accrued income, amounts owed by group undertakings, trade and other debtors.

Financial liabilities measured at fair value through profit or loss comprise bank overdrafts and forward currency contracts.

Financial Liabilities measured at amortised cost comprise bank loans, other loans, trade creditors, obligations under finance lease and hire purchase contracts, invoice finance, bank loans accruals and deferred income and other creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

21. Deferred taxation

	2017 £	2016 £
At beginning of year	(114,312)	(204,857)
Charged to profit or loss	80,044	90,545
At end of year	<u>(34,268)</u>	<u>(114,312)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(35,430)	(114,669)
Disallowable provisions	1,162	357
	<u>(34,268)</u>	<u>(114,312)</u>

22. Employee benefits

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £nil (2016 - £nil) were payable to the fund at the balance sheet date.

23. Share capital

	2017 £	2016 £
Authorised, allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

24. Reserves**Profit and loss account**

This reserve records retained earnings and accumulated losses.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

25. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	310,538	282,473
Later than 1 year and not later than 5 years	295,569	382,352
Later than 5 years	88,804	-
	<u>694,911</u>	<u>664,825</u>

26. Contingencies

The company has given an unlimited cross company guarantee in favour of a related company Shonn Brothers (Manchester) Limited to HSBC Bank plc, for all overdrawn balances.

A composite company multilateral guarantee dated 3 December 2015 is also now held by HSBC Bank Plc.

Also the company has given a guarantee in favour of HM Revenue and Customs for £130,000 (2016: £130,000).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

27. Related party transactions

The Company has taken advantage of the exemption permitted by Section 33 Related Party Disclosures, not to provide disclosures of transactions entered into with other wholly-owned members of the group.

Purchases from Swirl Consumer Products Limited during the year amounted to £222,677 (2016: £35,464) and sales to Swirl Consumer Products Limited amounted to £550,159 (2016: £61,100). Swirl Consumer Products Limited owes the company £478,576 (2016: £200,177) at the balance sheet date, and this is included within other debtors due within one year. Swirl Consumer Products Limited is a related party by virtue of being an 80% subsidiary.

Purchases from Doff Portland Limited during the year amounted to £1,624,725 (2016: £1,731,245) and sales to Doff Portland Limited amounted to £943,345 (2016: £963,216). Doff Portland Limited owes the company £597,344 (2016: £883,614) at the balance sheet date, and this is included within other debtors due within one year. Doff Portland Limited is a related party by virtue of common directorship (R L Shonn).

Purchases from Propeller Investments LLP amounted to £122,432 (2016: £120,108). Propeller Investments LLP owes the company £93,731 (2016: £105,731) at the balance sheet date, and this is included within other debtors due within one year. Propeller Investments LLP is a related party by virtue of common directorship (R L Shonn and S M Shonn).

At the balance sheet date Shonn Brothers (Manchester) Limited owes £629,727 (2016: £605,905). Shonn Brothers (Manchester) Limited is a related party by virtue of common directorship (all directors).

At the balance sheet date D P Brandco Limited owes £100,420 (2016: £110,000). D P Brandco Limited is a related party by virtue of common directorship (R L Shonn and I P George).

At the balance sheet date Chorio Limited is owed £713 (2016: £nil). Chorio Limited is a related party by virtue of common directorship (D S Shonn).

At the balance sheet date Saxwood Limited is owed £713 (2016: £nil). Saxwood Limited is a related party by virtue of common directorship (R L Shonn).

All loans to and from related parties are unsecured and repayable on demand.

Key management personnel are deemed to be the directors.

The company has an unlimited cross company guarantee with a related party dated 21 November 2002.

28. Controlling party

The ultimate parent company is Eurostation Limited, company number 4307712. The company is registered in England and Wales and copies of its financial statements are available from The Old School House, 39 Bengal Street, Manchester M4 6AF.